

# **JUNE 2007 SETTLEMENT INSTRUCTIONS**

## **GENERAL INFORMATION**

### **Pre-approval Filing**

It is not required, but strongly suggested that you submit the June Settlement for pre-approval prior to actually completing the Settlement Sheet Form 105. The pre-approval filing can be done by email or fax or a combination of both. The documents that must be submitted for pre-approval are:

- ✓ One Settlement Sheet Form 105. If you have our own spreadsheet for the Form 105, it can be used for the pre-approval process.
- ✓ One County Treasurer's Certificate of Tax Collections Form 49TC. This will be a spreadsheet provided by the Auditor of State's Office. The manual form is not available this year. If you have your own spreadsheet for the 49TC, it may be used.
- ✓ One Certificate of Tax Refunds Form 17TC, if property tax refunds are deducted. This will be a spreadsheet provided by the Auditor of State's Office. If you have your own spreadsheet or a manual form for the 17TC, it may be used.
- ✓ State Welfare Excise Tax Allocation (SWETA) Worksheet must be submitted. A spreadsheet is provided by the Auditor of State's Office. If you have your own spreadsheet or a manual form for SWETA, it may be used.

### **Official Filing**

The following forms must be filed when submitting the final June Settlement with the Auditor of State's Office:

- ✓ None of the forms submitted have to be typed, but they must be legible and in **black ink**.
- ✓ One Settlement Sheet Form 105 provided by the Auditor of State's Office. **Add** the Settlement Sheet and **make sure** it balances (Section A and Section B).
- ✓ One County Treasurer's Certificate of Tax Collections Form 49TC. This will be the spreadsheet provided by the Auditor of State's Office. The manual form is not available this year. If you have your own spreadsheet for the 49TC, it may be used.

If you have already filed the Form 49TC with the pre-approval process, you do not need to file another form.

## **GENERAL INFORMATION**

### **(Continued)**

- ✓ One Certificate of Tax Refunds Form 17TC, if property tax refunds are deducted.

If tax refunds are deducted in the settlement and the refunds include property tax replacement credit and homestead credit, then a check to the state for the property tax replacement credit and state homestead credit portion of the refunds must be filed with the settlement. This remittance to the state **must be** a separate check.

If you have already filed the Form 17TC with the pre-approval process, you do not need to file another form.

- ✓ A SWETA worksheet.

If you have already filed a form with the pre-approval process, you do not need to file another form.

The SWETA remittance to the state **must be** a separate check and must be filed with the settlement.

### **Settlement Instructions**

- ✓ The following instructions are organized in the recommended order of completion.
- ✓ **The excise tax distributed to taxing units is the excise tax after the deduction of the state welfare excise tax allocation (SWETA). The SWETA factors used in calculating the SWETA deduction are the same allocation factors used last year.**
- ✓ **If you need information concerning the calculation of the SWETA factors, please read the Auditor of State's Office "State Welfare Excise Tax Allocation", memorandum dated June 8, 2000. The memorandum was included as an attachment to the June Settlement information email.**
- ✓ **Please read the following instructions completely before beginning the June Settlement.**

## **FORM 17TC - CERTIFICATE OF TAX REFUNDS**

You **are not** required to deduct property tax refunds in the June Settlement. If property tax refunds are deducted in the June Settlement, then you must file the Certificate of Tax Refunds Form 17TC with the settlement.

An electronic Form 17TC has been created in Excel. The spreadsheet contains a summary tab for the taxing district totals and tabs for each taxing district. The taxing district totals from each taxing district tab are automatically copied to the summary tab.

The summary tab is labeled Summary Tab, the taxing district tabs are labeled A(1) through A(50). Instructions on how to rename the taxing district tabs A(1) through A(50) to your taxing district names are included below. If you need more than fifty (50) taxing district sheets please contact our office.

Also, if applicable to your county, are formulas in each taxing district tab to calculate the breakdown of homestead credit between state, county option income tax (COIT) and county economic development income tax (CEDIT) homestead credit. The calculation is based on the state, COIT and CEDIT homestead credit rates you entered in each taxing district tab.

Counties who only have state homestead credit will need to enter the state homestead credit rate in each taxing district tab, because failure to do so will result in no homestead credit amount appearing in the state homestead credit column of the Form 17TC.

Instructions on how to enter the homestead credit rates are included below.

### **Form 17TC Electronic Spreadsheet**

To enter the county name and settlement year to the Summary Tab, enter the following information:

1. Where the word "COUNTY" appears in blue (cell C4), enter the county name.
2. Where the word "YEAR" appears in blue (cell C7), enter the year of the settlement.

These two items will automatically update on each individual taxing district sheet.

To rename the tabs beginning with Tab A(1) to your taxing district names please do the following:.

3. Right click on the tab (A1)
4. From the popup menu, left click on "Rename" (the tab will turn black)
5. Type the name of the first taxing district and press enter.

Continue this process until you have renamed a tab for every taxing district.

## Form 17TC Electronic Spreadsheet (Continued)

To complete the data for each taxing district, enter the following information:

6. In the cell above where “Enter Taxing District Above” appears in blue (cell A8), enter the taxing district name. The spreadsheet automatically copies the taxing district name to the Summary Tab.
7. Enter the homestead credit rates as follows:
  - a. In Cell G9 enter the “State” homestead credit rate. The state homestead credit rate must be entered even if you don’t have COIT and CEDIT homestead credit. Enter the rate as whole number, not as a decimal. For example, enter as 14.8523 as opposed to .148523.
  - b. In Cell H9 enter the “COIT” homestead credit rate, if applicable. Enter using the same format as mentioned in “a.”.
  - c. In Cell I9 enter the “CEDIT” homestead credit rate, if applicable. Enter using the same format as mentioned in “a.”.

After you have completed the taxing district information, you can begin entering the tax refund information for individual taxpayers.

Below is a description of each column and what data is to be entered.

There are 100 lines available in each taxing district tab for entry of tax refunds. If you need additional lines, you must contact either Brenda Alyea or Janie Cope. They will assist you with increasing the number of lines.

Column One: **“To Whom Paid”** enter the name of the taxpayer who received the refund.

Column Two: **“Date Paid”** enter the date the refund was paid.

Column Three: **“Warrant Number”** enter the check number of the refund.

Column Four: **“Refunded to Taxpayer”** enter the amount refunded to the taxpayer **including interest** paid to the taxpayer. This information can be found on the 17T form, line 102 total due claimant.

Column Five: **“Tax Replacement Credit Due State”** enter the Property Tax Replacement Credit amount of the refund. Almost all property tax refunds will include property tax replacement credit. This information can be found on the 17T form, line 100 property tax replacement credit.

Column Six: **“Total Homestead Credit”** enter the Homestead Credit amount of the refund. This information can be found on the 17T form, line 100 homestead credit.

## Form 17TC Electronic Spreadsheet (Continued)

Column Seven: **“State Homestead Credit Due State”** the state homestead credit amount of the refund is automatically calculated using the state homestead credit rate that was entered at the top of the spreadsheet.

Column Eight: **“COIT Homestead Credit Due COIT Fund”** the COIT homestead credit amount of the refund is automatically calculated using the rate that was entered at the top of the spreadsheet.

Column Nine: **“CEDIT Homestead Credit Due CEDIT HSC Fund”** the CEDIT homestead credit amount of the refund is automatically calculated using on the rate that was entered at the top of the spreadsheet.

**NOTE: If you are a county with COIT and/or CEDIT homestead credit and have refunds that apply to tax bills from prior to the adoption of COIT and/or CEDIT you can use a separate district worksheet to list those refunds in a district that include state homestead credit only. You would enter the State Homestead Credit rate only along with the PTRC rate on that district worksheet. Then, when completing the June settlement portion of the 102 you would need to combine the 17TC total for the taxing district with the COIT and/or CEDIT Homestead Credit and the 17TC total for the taxing district with State Homestead Credit only. If you need help with this contact Brenda Alyea or Janie Cope.**

**OMITTED HOMESTEAD CREDIT: Homestead credits included on the Form 17TC should not be omitted homestead credit.** An omitted homestead credit is an increase in homestead credit due a taxpayer, because the taxpayer was not given the homestead credit they filed. Omitted homestead credits are listed on the Form 17HC and can **only** be included in the December Settlement.

Column 10: **“Total Refund”** is the total of the Refunded to Taxpayer amount plus the Tax Replacement Credit amount plus the Total Homestead Credit amount. The spreadsheet calculates this amount.

The spreadsheet automatically calculates the totals for each taxing district and copies the taxing district name and totals to the **“Summary Tab”**.

If you use our Form 17TC Excel spreadsheet, you will need to email the spreadsheet to our office when the Settlement is filed for pre-approval, or final approval if the settlement was not filed for pre-approval.

If tax refunds are deducted in the settlement and the refunds deducted include property tax replacement credit and homestead credit, then a check to the state for the amount of the property tax replacement credit and state portion of the homestead credit **must be** included with the settlement filing.

## Form 17TC Electronic Spreadsheet (Continued)

Also, if applicable, a check must be written from tax collections to the COIT and/or CEDIT HSC funds for the COIT and/or CEDIT portion of the total homestead credit.

Below is an example of the Excel spreadsheet Form 17TC.

Prescribed by State Board of Accounts				County Form No. 17TC (Rev. 2000) State Form 40168					
COUNTY CERTIFICATE OF COUNTY AUDITOR OF TAX REFUND CLAIMS FOR WHICH CREDIT IS TAKEN ON SETTLEMENT YEAR									
TAXING DISTRICT		ENTER HSC RATES		0.000000		0.000000		0.000000	
TAXING DISTRICT AND TO WHOM PAID (LIST EACH CLAIM. ENTER TOTAL FOR EACH TAXING DISTRICT AND GRAND TOTAL)	DATE PAID	WARRANT NUMBER	REFUNDED TO TAXPAYER	TAX REPLACEMENT CREDIT DUE STATE	TOTAL HOMESTEAD CREDIT	STATE HOMESTEAD CREDIT DUE STATE	COIT HOMESTEAD CREDIT DUE COIT FUND	CEDIT HOMESTEAD CREDIT DUE CREDIT HSC FUND	TOTAL REFUND
FREE			0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE			0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE			0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE			0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Form 17TC Manual Spreadsheet

If you do not use our Excel spreadsheet Form 17TC and use either an electronic spreadsheet of your own design or use the paper form of the Form 17TC, your Form 17TC must contain for each taxing district the following information.

In the **Refunded to Taxpayer** column enter the amount refunded to the taxpayer **including interest** paid to the taxpayer. This information can be found on the 17T form, line 102 total due claimant.

In the **Tax Replacement Credit Due State** column enter the property tax replacement credit amount of the refund. Almost all property tax refunds will include property tax replacement credit. This information can be found on the 17T form, line 100 property tax replacement credit.

In the **Total Homestead Credit** column enter the total homestead credit amount of the refund. This information can be found on the 17T form, line 100 homestead credit.

In the **State Homestead Credit Due State** column enter the state homestead credit amount of the refund.

In the **COIT Homestead Credit Due COIT Fund** column enter the COIT homestead credit amount of the refund.

In the **CEDIT Homestead Credit Due CREDIT Fund** column enter the COIT homestead credit amount of the refund.

## **Form 17TC Manual Spreadsheet (Continued)**

In the **Total** column of the Form 17TC enter the total of the **Refunded to Taxpayer** plus **Tax Replacement Credit Due State** plus **Total Homestead Credit Due (which is the total of the State, COIT and/or CEDIT HSC)**.

In addition to the 17TC by taxing district you must prepare a summary of the taxing district totals. On the summary you must list each taxing district that has refunds and the taxing district total of each column.

**NOTE: Homestead credits included on the Form 17TC are not omitted homestead credits.** An omitted homestead credit is an increase in homestead credit due a taxpayer, because the taxpayer was not given the homestead credit they filed. Omitted homestead credits are listed on the Form 17HC and can **only** be included in the December Settlement.

**NOTE:** If the tax refunds deducted in the settlement include property tax replacement credit and homestead credit, then a check to the state for the amount of the property tax replacement credit and state portion of the homestead credit **must be** included with the settlement filing.

Also, if applicable, a check must be written from property tax collections to the COIT and/or CEDIT HSC funds for the COIT and/or CEDIT portion of the total homestead credit.

### **Applying Form 17TC Data to Apportionment Sheet Form 102**

The taxing district total of the **Refunded to Taxpayer** column of the Form 17TC is entered on Line 3, **Less: Erroneous Tax, Penalties and Interest Refunded**, in the **Net Tax, Penalty and Interest** column of Section A of the Apportionment Sheet.

The taxing district total of the **Tax Replacement Credit Due State** column of the Form 17TC is entered on Line 3, **Less: Erroneous Tax, Penalties and Interest Refunded**, in the **State Tax Replacement Credit** column of Section A of the Apportionment Sheet.

The taxing district total of the **Total Homestead Credit** column of the Form 17TC is entered on Line 3, **Less: Erroneous Tax, Penalties and Interest Refunded**, in the **Homestead Credit** column of Section A of the Apportionment Sheet.

The taxing district total of the **Total** column of the Form 17TC should agree with the **Total** column of Line 3, **Less: Erroneous Tax, Penalties and Interest Refunded** of the Apportionment Sheet Form 102, Section A.

## FORM 102 - APPORTIONMENT SHEET SECTION A

The Apportionment Sheet Form 102 is very similar to the Settlement Sheet Form 105. Both have a Section A for June Settlement, a Section A-1 for December Settlement and a Section B for the apportionment of taxes. The Settlement Sheet Form 105 only has a Section C for due state amounts. An Apportionment Sheet Form 102 is prepared for each taxing district. The Settlement Sheet Form 105 is the total of all Apportionment Sheets. Some counties have replaced Apportionment Sheets with worksheets generated from tax systems, or have created Apportionment Sheets with spreadsheet software. Whether you use the State Board of Accounts prescribed Apportionment Sheet (an example of which is illustrated on page 9-43 of the County Auditor's Manual), or worksheets generated by your tax system, or an electronic spreadsheet created using spreadsheet software, the following instructions apply to the completion of the Apportionment Sheet.

SECTION A		JUNE SETTLEMENT	NET TAX, PEN & INT	STATE TAX REPL. CREDIT	HOMESTEAD CREDIT	TOTAL
1	Collections Certified by County Treasurer:					
2	Property Tax		0.00	0.00	0.00	0.00
3	Less: Erroneous Tax For Apportionment		0.00	0.00	0.00	0.00
4	Net Property Tax For Apportionment		0.00	0.00	0.00	0.00
5	License Excise Tax For Apportionment		0.00			0.00
6	<b>TOTAL FOR APPORTIONMENT</b> - Total of Lines 1 to 5		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### Line 2 - Property Tax

**Net Tax, Penalty and Interest Column** – Is the amount certified by the treasurer in column 1 of the Treasurer's Certificate of Tax Collections Form 49TC. If the treasurer has included surplus tax collections in column 1 of the Form 49TC, then the amount on line 2 should be the column 1 amount of the Form 49TC less the surplus tax collections.

### Line 2 - Property Tax

**State Tax Replacement Credit Column** – Is the amount certified by the treasurer in column 2 of the Treasurer's Certificate of Tax Collections Form 49TC.

### Line 2 - Property Tax

**Homestead Credit Column** – Is the amount certified by the treasurer in column 3 of the Treasurer's Certificate of Tax Collections Form 49TC.

**FORM 102 - APPORTIONMENT SHEET**  
**SECTION A**  
(Continued)

**NOTE:**        **If you are a CEDIT HSC county, then you must distribute 100% of the CEDIT HSC amount shown in Section 5, Column 13 on the abstract.**

CEDIT HSC money was distributed the end of April by the Department of Revenue to CEDIT HSC counties.

The abstract CEDIT HSC amount must be included in the June Settlement. The county auditor should have written a warrant to the county treasurer from the CEDIT Homestead Credit Fund. The amount of the warrant should have been the total CEDIT homestead credit amount shown on the abstract. The county treasurer should have posted the warrant to the treasurer's cashbook as CEDIT homestead credit. The taxing district breakdown should have been the taxing district amounts shown on the abstract. If these steps have not been done, then they need to be done at this time and before the June Settlement process begins.

**Line 2 – TOTAL**

**Total Column** - The amount in the **Total** column is the total of the Net Tax Penalty & Interest column, the State Tax Replacement column and the Homestead Credit column.

**Line 3 - Less: Erroneous Tax, Penalties and Interest Refunded**

**Net Tax Penalty and Interest Column** – Is the amount from the **Refunded to Taxpayer** column of the Certificate of Tax Refunds Form 17TC.

**Line 3 - Less: Erroneous Tax Penalties and Interest Refunded**

**State Tax Replacement Credit Column** – Is the amount from the **Tax Replacement Credit Due State** column of the Certificate of Tax Refunds Form 17TC.

**Line 3 - Less: Erroneous Tax, Penalties and Interest Refunded**

**Homestead Credit Column** – Is the amount from the **Total Homestead Credit** column of the Certificate of Tax Refunds Form 17TC.

**Line 3 – TOTAL**

**Total Column** - The amount in the **Total** column is the total of the Net Tax Penalty & Interest column, the State Tax Replacement column and the Homestead Credit column.

**FORM 102 - APPORTIONMENT SHEET**  
**SECTION A**  
(Continued)

**Line 4 - Net Property Tax for Apportionment**

**Net Tax Penalty and Interest Column** - Line 4 of Section A of the Apportionment Sheet is equal to line 2 minus 3. The **Net Tax Penalty and Interest** column amount on line 4 of Section A of the Apportionment Sheet is the amount to be entered in column 6, Tax, Penalties and Interest column of the Treasurer's Certificate of Tax Collections Form 49TC.

**Line 4 - Net Property Tax for Apportionment**

**State Tax Replacement Credit Column** - Line 4 of Section A of the Apportionment Sheet is equal to line 2 minus 3. The **State Tax Replacement Credit** column amount on line 4 of Section A of the Apportionment Sheet is the amount to be entered in column 7, State Tax Replacement Credit column of the Treasurer's Certificate of Tax Collections Form 49TC.

**Line 4 - Net Property Tax for Apportionment**

**Homestead Credit Column** - Line 4 of Section A of the Apportionment Sheet is equal to line 2 minus 3. The **Homestead Credit** column amount on line 4 of Section A of the Apportionment Sheet is the amount to be entered in column 8, State, COIT & CEDIT Homestead Credit column of the Treasurer's Certificate of Tax Collections Form 49TC.

**Line 4 - Net Property Tax for Apportionment**

**Total** - Line 4 of Section A of the Apportionment Sheet is equal to line 2 minus line 3. The **Total** column amount on line 4 of Section A of the Apportionment Sheet is the amount of property tax to be apportioned in the June Settlement and is the amount to be entered in column 9, Total Property Tax for Distribution column of the Treasurer's Certificate of Tax Collections Form 49TC.

Also, the total of the **Total Net Property Tax** column of **Section B** of the Apportionment Sheet **must** agree with the **Total** column on **line 4 of Section A** of the Apportionment Sheet.

**Line 5 - License Excise Tax For Apportionment** - Line 5 of Section A of the Apportionment Sheet is equal to the amount of excise tax apportioned in the June Settlement.

The excise tax apportioned is the excise tax **after the deduction of the state welfare excise tax allocation**. Read the Auditor of State's Office "State Welfare Excise Tax Allocation" memorandum dated June 8, 2000 for instructions on how to calculate the required allocation. The memorandum was included as an attachment to the June Settlement information email.

**FORM 102 - APPORTIONMENT SHEET**  
**SECTION A**  
**(Continued)**

**Do not include** the state welfare excise tax allocation on line 5 of the Apportionment Sheet.

Also, **do not include** the state welfare excise tax allocation in Section B of the Apportionment Sheet.

The amount on line 5 is the amount for column 10, License Excise Tax Distributed column of the Treasurer's Certificate of Tax Collections Form 49TC. Also, do not include SWETA in Column 10 of the 49TC.

Also, the total of the **License Excise Tax** column of **Section B** of the Apportionment Sheet must agree with **TOTAL** column on **line 5 of Section A** of the Apportionment Sheet.

**Line 6 - Total For Apportionment** - Line 6 of Section A of the Apportionment Sheet is equal to line 4 plus line 5. The **Total** column of line 6 should agree with column 11 Total Distributed column of the Treasurer's Certificate of Tax Collections Form 49TC.

**SECTION B**

In Section B enter the apportionment of property tax and license excise tax. The amount of property tax apportioned will be the total of line 4 of Section A. The amount of license excise tax apportioned will be the total of line 5 of Section A.

All counties have computer programs that calculate the apportionment. To test your program the instructions on how to manually calculate apportionments is located on page 9-38 of the County Auditor's Manual.

If a TIF area exists in a taxing district, then the amount of property tax that is to be distributed to the Redevelopment Commission **must be deducted before the apportionment of property taxes is calculated**. The amount of property tax to be deducted and distributed to the Redevelopment Commission will be the TIF taxes and, if applicable, TIF Increment Replacement (TIR) taxes within the TIF District. The amount of property tax to be distributed to the Redevelopment Commission is **entered as a fund amount** at the bottom of Section B (Lines 70, 71 and 72). The TIF amount and, if applicable, the TIR taxes within the TIF District must be shown separately. If your county does not have a TIF district you can skip over all of the following explanations

The TIR tax distribution to the Redevelopment District will be composed of two parts. One part will be the TIR taxes from within the TIF District and the other part will be the TIR taxes outside of the TIF District.

**FORM 102 - APPORTIONMENT SHEET**  
**SECTION B**  
(Continued)

Part One: The TIR tax distribution of the TIR taxes from **within** the TIF District **must be deducted before** apportionments are calculated.

Part Two: The TIR tax distribution of TIR taxes **outside** of the TIF District **will not** be deducted and will be one of the regular apportionments calculated on the TIR tax rate.

County auditors determine the amount of TIF dollars to distribute to a Redevelopment Commission by either tracking payments, or by using the Abstract. **Basing the TIF distribution on the payments is the most preferred method.**

When payments are used as the basis of determining the TIF distribution, then payments must be tracked parcel by parcel and delinquencies must be shown separately on the TIF District line of the next year's Abstract.

When the Abstract is used as the basis, then the TIF amounts shown on the Abstract are the basis of the TIF distribution and delinquencies are not tracked and are not shown separately on the TIF District line of the next year's Abstract. Reasons for using the Abstract as the basis of determining the amount of TIF dollars to distribute to a Redevelopment Commission are:

- Tax collection system does not have the capability of tracking payments on TIF parcels.
- Using the Abstract as the basis of the TIF distribution is easier than using payments as the basis, especially when there are many parcels in a TIF District.
- While in some years using the Abstract as the basis of the TIF distribution may result in distributing TIF dollars that were not paid by the taxpayer, ultimately the taxes could be paid because of tax sale enforcement procedures. Keep in mind there is no guarantee the property will be sold and taxes paid through the tax sale process.

**BANKRUPTCY IN A TIF DISTRICT**

**If a taxpayer in the TIF District has filed bankruptcy or a bankruptcy is pending, then tax payments should be the basis of the TIF distribution and not the Abstract. Also, you should watch closely for other non-payment issues. In the situation where there is a delinquent taxpayer(s) whose assessed value generates a large portion of the increment of a TIF District, tax payments should be the basis of the TIF distribution and not the Abstract.**

## FORM 102 - APPORTIONMENT SHEET

### SECTION B

(Continued)

- If the Abstract has been the basis for distributions to the Redevelopment Commission and a TIF District is ending and there are unpaid taxes, then the final distribution to the Redevelopment Commission must be adjusted for the unpaid taxes at that time.
- Finally, when DLGF approved tax rates they used the TIF increment assessed value with the assumption of full payment. Therefore using the Abstract rather than payments as the basis of the TIF distribution reflects the TIF tax dollars that were subtracted out when tax rates were approved and reflects what the Redevelopment Commission is anticipating as the TIF distribution.
- If the abstract is used as a basis for distribution to the Redevelopment Commission and there is a correction to a TIF parcel, then the abstract amount must be adjusted prior to the calculation of the TIF district distribution.

### TAX INCREMENT REPLACEMENT

With the Tax Increment Replacement (TIR) taxes it will become more difficult in some TIF Districts to determine the TIF distribution by tracking payments. The reason is the TIF distribution will be the combination of the TIF taxes and TIR taxes. Unlike TIF taxes where the **state does not pay** PTRC on TIF, the **state does pay** PTRC on TIR taxes.

Before the introduction of TIR and the taxes paid method was the method of determining the TIF distribution, the TIF distribution amount was the amount of TIF taxes paid. Now with TIR, if the taxes paid method is used to determine the TIF distribution amount, the TIF distribution will be the combination of the amount paid prorated between TIF and TIR **plus the PTRC** on the TIR taxes.

### Aspects of TIR

The following sentences and paragraphs explain how to use the Abstract as the method of determining the TIF distribution and the TIR distribution to the Redevelopment Commission. Before I begin I want to point out an aspect of TIR.

#### TIF, TIR & REDEVELOPMENT AREA

**TIR OUTSIDE TIF:** Is the TIR taxes from the **entire** redevelopment area.

**TIR INSIDE TIF:** Is the TIR taxes on the **increment value** in the TIF District.

## FORM 102 - APPORTIONMENT SHEET

### SECTION B

(Continued)

If the redevelopment area encompasses several taxing districts, then the Redevelopment Commission will receive a TIR distribution based on the TIR rate in those several taxing districts.

A redevelopment area created by a city or town is the entire incorporated area of the city or town. A redevelopment area created by a county, it is the entire unincorporated area of the county.

If there is a TIR rate for a TIF District in a redevelopment area created by a city or town, then the TIR rate will be charged in all of the taxing districts that make up the incorporated area of the city or town.

If there is a TIR tax rate for a TIF District in a redevelopment area created by a county, then the TIR rate will be charged in all of the taxing districts that make up the unincorporated area of the county.

The tax distribution (**including excise**) allocated to the TIR based on the TIR rate (outside the TIF District) will be distributed to the Redevelopment Commission as a TIR distribution. In other words, the TIR distribution is set up as a fund to be distributed to the Redevelopment Commission. This fund will receive property and excise tax in the normal process of the allocating taxes based on tax rates. The TIR tax distribution generated by the TIR rate on the redevelopment area **outside** of the TIF District area will **not** be taken off the top prior to calculating tax distributions.

In the following explanation the Abstract amounts being referred to are the amounts on the TIF District lines below the subtotal. The following explanation may refer to Abstract columns that you will not have amounts in, because the explanation is covering every possible combination and not any one county will have every possible combination. Don't let this confuse you, if an Abstract column is mentioned that you do not have an amount in, then just skip over that step and proceed to the next step

Keep in mind as you read the following it is being explained how to use the Abstract to determine the Apportionment Sheet Section B TIF tax amount and, if applicable, the TIR tax amount within the TIF District. After the Section B amount has been determined, the final amount distributed (the amount you write the check for) will need to be reduced by any amounts that have been advanced to the Redevelopment Commission.

**FORM 102 - APPORTIONMENT SHEET**  
**SECTION B**  
(Continued)

**THE TIF TAX AMOUNT IS DETERMINED AS FOLLOWS**

Abstract Section 4 Column 25 TIF  
Minus: Abstract Section 5 Column 9 PTRC  
Minus: Abstract Section 5 Column 10 PTRC  
Equals: Total TIF Amount for the Year  
Divided by 2 Equals: June Settlement Apportionment Sheet Section B TIF Amount

The above Section B TIF amount will be deducted from property taxes **prior to calculating tax distributions**. Also, the above Section B TIF amount will be shown as a fund amount in Section B Line 70 of the Apportionment Sheet and the Settlement Sheet. When you distribute the TIF amount to the Redevelopment Commission you must show the TIF amount separately on the Certificate of Tax Distribution Form 22.

The final amount of TIF taxes you distribute to the Redevelopment Commission will need to be reduced by any TIF amounts that have been advanced to the Redevelopment Commission.

**THE TIR TAX AMOUNT FROM WITHIN THE TIF DISTRICT  
IS DETERMINED AS FOLLOWS**

Abstract Section 4 Column 19 TIR on the TIF District line of the Abstract  
Divided by 2 (See Note Below)  
Equals: June Settlement Apportionment Sheet Section B TIR Amount (See Note Below)

**NOTE**

The June Settlement amount calculated here is only the TIR tax amount from within the TIF District and is not the TIR tax amount from outside of the TIF District.

The aforementioned Section B TIR amount will be deducted from property taxes **prior to calculating tax distributions**. Also, the above Section B TIR amount will be shown as fund amount in Section B Line 71 of the Apportionment Sheet and the Settlement Sheet. When you distribute the TIR amount to the Redevelopment Commission you must show the TIR amount separately on the Certificate of Tax Distribution Form 22.

The final amount of TIR taxes you distribute to the Redevelopment Commission will need to be reduced by any TIR amounts that have been advanced to the Redevelopment Commission.

**FORM 102 - APPORTIONMENT SHEET**  
**SECTION B**  
(Continued)

**TIR TAXES OUTSIDE THE TIF DISTRICT**

In addition to the TIR tax distribution from within the TIF District, the Redevelopment Commission will receive a TIR tax distribution from the TIR taxes outside of the TIF District. The TIR tax distribution from outside the TIF District **will not** be deducted from property taxes prior to calculating tax distributions. The TIR tax distribution (including excise tax) from outside the TIF District will be determined when you calculate regular tax distributions with your tax distribution programs.

The TIR tax distribution from outside the TIF District must be shown separately in Section B Line 72 of the Apportionment Sheet and the Settlement Sheet. The TIR tax distribution from outside the TIF District is distributed to the Redevelopment Commission and it must be shown separate from the TIR tax distribution within the TIF District on the Certificate of Tax Distribution Form 22.

	Total Net Property Tax	License Excise Tax	Total Property And Excise
<b>TIF</b>	0.00	0.00	0.00
<b>TIR in TIF</b>	0.00	0.00	0.00
<b>TIR outside TIF</b>	0.00	0.00	0.00

The final amount of TIF taxes you distribute to the Redevelopment Commission will need to be reduced by any TIF amounts you have advanced to the Redevelopment Commission.

## Charter School Distributions

Many county auditors will be making charter school distributions at the June Settlement. The amounts to distribute to charter schools are shown on the Department of Local Government Finance 2007 Budget Order 2007 Charter School Report. The report lists the charter school amounts by school corporation. In the June Settlement one-half of the amount listed is to be distributed to the charter school. The amount distributed to the charter school is deducted from the respective school corporation's general fund distribution.

Charter school distributions **are not** shown in Section B of the Apportionment Sheet, or the Settlement Sheet. Charter school distributions **are shown** as a deduction on the school corporation's Certificate of Tax Distribution Form 22.

The charter school distributions are sent directly to the charter schools. Charter school addresses can be found at the Indiana Department of Education web site [www.doe.in.gov](http://www.doe.in.gov), at the Department of Education web site select charter school under the featured web site group. If you do not have internet access, you can call the Department of Education School Finance Division at 1-866-234-1414.

There are two charter schools that I am aware of that the addresses for are not on the Department of Education's web site and they are:

Burris Laboratory School  
Ball State University  
Finance Office AD208  
Muncie, IN 47306

Indiana Academy for Science, Math and Humanities  
Ball State University  
Finance Office AD208  
Muncie, IN 47306

## FORM 49TC - TREASURER'S CERTIFICATE OF TAX COLLECTIONS

A copy of the Form 49TC **must be filed** with the Auditor of State. The 49TC can be filed electronically, or you can print the 49TC and file the printed copy.

The Excel spreadsheet Form 49TC, or a Form 49TC you have created must be provided to the treasurer at the beginning of the June Settlement process.

The Treasurer will complete Columns 1 through 5 with the actual collections. In the **Current and Delinquent Tax, Penalties and Interest Column**, column 1 the treasurer will certify the taxes collected from taxpayers. In the **State Property Tax Replacement Credit Column**, column 2 the treasurer should certify the total of the March, April and May state distributions of property tax replacement credit. In the **State, COIT & CEDIT Homestead Credit Column**, column 3 the treasurer should certify the total of the March, April and May state distributions of homestead and the distributions of the COIT and CEDIT Homestead Credit. Column 4 is the total of Columns 1 through 3. In Column 5 the treasurer will certify surplus tax collections.

**Note of caution:** Find out whether or not the treasurer included surplus tax collections in the amount certified in Column 1, because it will have an affect on the amount you will enter on line 2 of Section A of the Apportionment Sheet and Column 6 of the Treasurer's Certificate of Tax Collections Form 49TC. Most treasurers do not include surplus tax collections in the Column 1 amount, but some do include surplus tax collections in Column 1. If surplus tax collections have been included in Column 1 of the Form 49TC, then the amount entered on line 2 of Section A of the apportionment sheet and the amount entered in Column 6 of the Form 49TC will be less than the Column 1 **amount by the amount of surplus tax collections**.

If property tax refunds are deducted at the June Settlement, then Column 6 of the Form 49TC will also be less than Column 1 of the 49TC by the amount of the refunds deducted.

**The Auditor's part of the 49TC is completed as follows:**

### **Col. 6, Tax Penalties and Interest**

= The amount in the **Net Tax Penalty and Interest** column of Line 4, **Net Property Tax for Apportionment** line, of the Apportionment Sheet Section A.

Column 6 should also equal Column 1 of the Form 49TC less the **Refunded to Taxpayer** amount on the Certificate of Tax Refunds Form 17TC, if applicable. If the treasurer included surplus tax collections in column 1 of the Form 49TC, then column 6 will also be less than column 1 by the amount of the surplus tax collected.

## FORM 49TC - TREASURER'S CERTIFICATE OF TAX COLLECTIONS (Continued)

### Col. 7, State Tax Replacement Credit

- = The amount in the **State Tax Replacement Credit** column of Line 4, **Net Property Tax for Apportionment** line, of the Apportionment Sheet Section A.

Column 7 should also equal Column 2 of the Form 49TC less the **Property Tax Replacement Credit** amount on the Certificate of Tax Refunds Form 17TC (if applicable).

### Col. 8, State, COIT & CEDIT Homestead Credit

- = The amount in the **Homestead Credit** column of Line 4, **Net Tax for Apportionment** line, of the Apportionment Sheet Section A.

Column 8 should also equal Column 3 of the Form 49TC less the **State, COIT and/or CEDIT Homestead Credit** amount on the Certificate of Tax Refunds Form 17TC (if applicable).

### Col. 9, Total Property Tax for Distribution

- = The amount in the **Total** column of Line 4, **Net Tax for Apportionment** line, of the Apportionment Sheet Section A.

Column 9 of the Treasurer's Certificate of Tax Collections Form 49TC also equals column 6 plus column 7 plus column 8 of the Form 49TC.

### Col. 10, License Excise Tax Distributed

- = The amount on Line 5, **License Excise Tax Apportionment** line, of the Apportionment Sheet Section A. The column 10 amount will be the excise tax amount **after the state welfare excise tax allocation has been deducted.**

The excise tax apportioned is the excise tax after the deduction of the state welfare excise tax allocation. Read the Auditor of State's Office "State Welfare Excise Tax Allocation" memorandum dated June 8, 2000 for instructions on how to calculate the required allocation.

**DO NOT include the state welfare excise tax allocation in Column 10, License Excised Tax Distributed column of the Form 49TC.**

## FORM 49TC - TREASURER'S CERTIFICATE OF TAX COLLECTIONS (Continued)

### Col. 11, Total Distributed

- = The amount in the **Total** column of Line 6, **Total for Apportionment** line, of the Apportionment Sheet Section A.

Column 11 of the Form 49TC also equals column 9 plus column 10 of the Form 49TC.

Columns 12 through 22 of the Treasurer's Certificate of Tax Collections Form 49TC are only applicable for the June Settlement, if tax refunds are deducted in the June Settlement and the refunds include property tax replacement credit and/or State, COIT & CEDIT homestead credit.

**PTRC Intercept Counties: If the PTRC being intercepted has been released your county would have received instructions and there would be no special handling necessary with June Settlement. However, if PTRC is being intercepted the total amount of PTRC intercept must be included at the bottom of the treasurer's column 2 of the 49TC. Column 13 of the 49TC will need to include the treasurer's column 2 amount plus the PTRC intercept amount by district.**

The total of column 15 represents the amount property tax replacement credit that **must be** sent to state when the settlement is filed.

The total of column 20 is the amount of state homestead credit that **must be** sent to state when the settlement is filed.

The amount in column 21 is the amount of the COIT homestead credit that must be paid to the COIT fund.

The amount in column 22 is the amount of CEDIT homestead credit that must be paid to the CEDIT Homestead Credit fund.

## **105 - SETTLEMENT SHEET SECTION A**

The amounts for Section A of the Settlement Sheet Form 105 are the totals of the Apportionment Sheets Form 102 Section A amounts. The Section A amounts should also equal the Certificate of Tax Refunds Form 17TC and the Treasurer's Certificate of Tax Collections Form 49TC totals as follows:

### **Line 2 - Property Tax**

**Net Tax, Penalty and Interest Column** – Is the total of the Apportionment Sheets amounts.

The amount in the **Net Tax, Penalty and Interest** column on line 2 **should also agree with the total** of the Current and Delinquent Tax, Penalties and Interest column, column 1 of the Treasurer's Certificate of Tax Collections, **except** if the treasurer has included surplus tax collections in column 1 of the Treasurer's Certificate of Tax Collections. If surplus tax collections are included in Column 1 of the Form 49TC, then the amount on line 2 of Section A of the Settlement Sheet should agree with the total of column 1 of the Treasurer's Certificate of Tax Collections less the total of surplus tax collections included in Column 1.

### **Line 2 - Property Tax**

**State Tax Replacement Credit Column** – Is the total of the Apportionment Sheet amounts. The Property Tax Replacement Credit included in the June Settlement is equal to the amount certified by the treasurer.

The amount on line 2 should agree with the total of the State Property Tax Replacement Credit column, column 2 of the Treasurer's Certificate of Tax Collections Form 49TC.

### **Line 2 - Property Tax**

**Homestead Credit Column** – Is the total of the Apportionment Sheet amounts. The Homestead Credit included in the June Settlement is equal to the amount certified by the treasurer.

The amount on line 2 should agree with the total of the State, COIT and/or CEDIT Homestead Credit column 3 of the Treasurer's Certificate of Tax Collections.

### **Line 3 - Less: Erroneous Tax, Penalties and Interest Refunded**

**Net Tax Penalty and Interest Column** – Is the total of the Apportionment Sheet amounts. The amount on line 3 must agree with the grand total of the **Refunded to Taxpayer** column of the Certificate of Tax Refunds Form 17TC.

**105 - SETTLEMENT SHEET**  
**SECTION A**  
(Continued)

**Line 3 - Less: Erroneous Tax, Penalties and Interest Refunded**

**State Tax Replacement Credit Column** - Is the total of the Apportionment Sheet amounts. The amount on line 3 must agree with the grand total of the **Tax Replacement Credit Due State** column of the Form 17TC.

**Line 3 - Less: Erroneous Tax, Penalties and Interest Refunded**

**Homestead Credit Column** - Is the total of the Apportionment Sheet amounts. The amount on line 3 must agree with the grand total of the **Total Homestead Credit** column of the Form 17TC.

**Line 4 - Net Property Tax for Apportionment**

**Net Tax Penalty and Interest Column** – Is the total of the Apportionment Sheet amounts and is equal to line 2 minus 3 of Section A of the Settlement Sheet.

The **Net Tax Penalty and Interest** column amount on line 4 of Section A of the Settlement Sheet **must** agree with the total of the Tax Penalties and Interest column, column 6 of the Treasurer's Certificate of Tax Collections Form 49TC.

**Line 4 - Net Property Tax for Apportionment**

**State Tax Replacement Credit Column** – Is the total of the Apportionment Sheet amounts and is equal to line 2 minus 3 of Section A of the Settlement Sheet.

The **State Tax Replacement Credit** column amount on line 4 of Section A of the Settlement Sheet **must** agree with the total of the State Tax Replacement Credit column, column 7 of the Treasurer's Certificate of Tax Collections Form 49TC.

**Line 4 - Net Property Tax for Apportionment**

**Homestead Credit Column** – Is the total of the Apportionment Sheet amounts and is equal to line 2 minus 3 of Section A of the Settlement Sheet.

The **Homestead Credit** column amount on line 4 of Section A of the Settlement Sheet **must** agree with the total of the State, COIT & CEDIT Homestead Credit column, column 8 of the Treasurer's Certificate of Tax Collections Form 49TC.

**Form 105 - SETTLEMENT SHEET**  
**SECTION A**  
(Continued)

**Line 4 - Net Property Tax for Apportionment**

**Total** – Is the total of the Apportionment Sheet amounts and is equal to line 2 minus line 3 of Section A of the Settlement Sheet.

The total amount on line 4 of Section A of the Settlement Sheet is the total amount of property tax to be apportioned in the June Settlement and **must** agree with the total of the Total Property Tax for Distribution column, column 9 of the Treasurer’s Certificate of Tax Collections Form 49TC.

The total of the **Total Net Property Tax** column of **Section B** of the Settlement Sheet **must** agree with the total column on line 4 of Section A of the Settlement Sheet.

**Line 5 - License Excise Tax for Apportionment** – Is the total of the Apportionment Sheet amounts and is equal to the amount of excise tax that is being apportioned in the June Settlement.

**The excise tax apportioned is the excise tax after the deduction of the state welfare excise tax allocation. Read the Auditor of State’s Office “State Welfare Excise Tax Allocation” memorandum dated June 8, 2000 for instructions on how to calculate the required allocation. Do not include the state welfare excise tax allocation on line 5 of the Settlement Sheet. Also, do not include the state welfare excise tax allocation in Section B of the Settlement Sheet. And do not include the state welfare excise tax allocation in Section C.**

The amount on line 5 **must** agree with the total of the License Excise Tax Distributed column, column 10, of the Treasurer’s Certificate of Tax Collections Form 49TC.

The total of the **License Excise Tax** column of **Section B** of the Settlement Sheet **must** agree with line 5 of Section A of the Settlement Sheet.

**Line 6 - Total For Apportionment** – Is the total of the Apportionment Sheet amounts and is equal to line 4 plus line 5 of Section A of the Settlement Sheet.

The total column of line 6 **must** agree with total of the Total Distributed column, column 11 of the Treasurer’s Certificate of Tax Collections Form 49TC.

## **Form 105 - SETTLEMENT SHEET SECTION B**

Is the total of the Section B amounts of the Apportionment Sheets. Please see Form 102 Apportionment Sheet Section B instructions for Settlement Sheet Section B instructions.

The total of the **Total Net Property Tax** column in Section B of the Settlement Sheet **must** agree with the total of line 4 of Section A of the Settlement Sheet.

The total of the **License Excise Tax** column in Section B of the Settlement Sheet **must** agree with the total of line 5 of Section A of the Settlement Sheet.

## **SECTION C**

The amounts for lines 1 through 5 of **Section C** of the Settlement Sheet are the totals of lines 1 through 5 of **Section B** of the Settlement Sheet. The amounts for the other items are taken from the county's Funds Ledger. **Do not** change the name of any of the funds listed in **Section C**. If you have an additional fine or fee due the State that is not listed please write it in on a blank line.

If the total of **Section C** cannot be remitted by June 30th, then the funds ledger fines and fees amounts **must be remitted by June 30th**. When these amounts are remitted, the Report to State Auditor of Settlement Fines and Fees Due State report form must be used to report the amounts.

**NOTE: SWETA (State Welfare Excise Tax Allocation) IS NOT listed in Section C.**

## **CANINE RESEARCH AND EDUCATION FUND**

If your county adopted the County Option Dog Tax Fund after June 30, 2006, then 20 percent of the taxes collected must be remitted to the State as Canine Research and Education Fund money. Regardless of the collection method chosen the taxes collected should have been remitted to the county auditor by the tenth day of each month.

Of the amount collected 80% is to be receipted to the County Option Dog Tax Fund and 20% receipted to the Canine Research and Education Fund. The Canine Research and Education fund balance as of May 31, 2007 is to be remitted with the other fines and fees by June 30, 2007.

## **FORESTRY WITHDRAWAL**

For classified forest or wildlands property classified after June 30, 2006 and withdrawn after July 1, 2007 back taxes, interest, and withdrawal penalties are charged. The Department of Natural Resources has a worksheet you will use to calculate the back taxes, interest and penalties.

The amount of back taxes are charged as if the property had not been classified. The tax rates and PTRC rates to be used when calculating the back taxes are the tax rates and PTRC rates in effect for each year calculated. The back taxes are calculated for the lesser of 10 years or the years the property was classified. Interest is calculated for each year of back taxes charge at a rate of 10% per year.

There are also penalties that apply. The withdrawal penalties are \$100 per withdrawal plus \$50 per acre withdrawn. The back taxes, interest and penalties should be charged as a special assessment. The back taxes collected, interest and 25% of the withdrawal penalty are receipted to the county general fund. 75% of the withdrawal penalty is receipted into the Forest Restoration Fund and remitted to the state with the other fines and fees by June 30, 2007.

### **FINAL NOTE**

If after reading these instructions any portion is unclear you may contact either:

Brenda Alyea  
balyea@auditor.in.gov  
317-232-3336

or

Janie Cope  
jcope@auditor.in.gov  
317-233-3008